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BOSTON'S DEVELOPMENT PROFILE AND POTENTIALS

FACTS AND FIGURES ON BOSTON;  
STATE OF THE CITY AS OF FALL 1973

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Boston Redevelopment Authority

September 1973

Background Materials  
For Address to the  
Business Development Council  
of the  
Greater Boston Chamber of Commerce



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## STATE OF THE CITY

As of mid-September 1973, Boston's economy is thriving, people are rediscovering the City as a place to live, there is an expanding business commitment to invest in the City's future, and new currents of strengths are emerging in all of our neighborhoods demonstrating a large potential for progress. City policy and planning is designed to foster all of these elements with a view to improve the quality of urban life for all of our citizens.

The structural base of our City's economy is expanding. This base, which supports a \$10 billion economy and 520,000 jobs, is growing, and foreshadows future gains in employment opportunities. In the past three years, the structural base of the City's economy has been augmented by more than 5 million square feet of office space. This new space has been readily absorbed, vacancy rates have held steady, and 25,000 new jobs have been provided. Retail trade is reviving under the stimulus of growth in employment, population, income and visitors. In channeling this growth, the City is taking great pains to protect the environment and preserve the unique character of our history and heritage.

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People are moving back to Boston. Since 1970, our City's population has increased by 18,000, reversing two decades of decline. The 25 to 34 year olds are demonstrating their preference for City life styles, and the outflow of families with children has virtually stopped. Our more centrally located neighborhoods are gaining in favor. People are voting for Boston, in response to the jobs and the City's major effort in upgrading those facilities which enlarge the quality of life.

The commitment to the City's future, in terms of new capital construction of commercial structures, medical, educational and cultural facilities, and housing, is large and growing. Major gains in public transit funding will ease congestion and improve access. More than \$1 billion a year is being invested to make the City a better place to live and work.

The tide is turning in our neighborhoods. Though much remains to be done, and negative Federal policy is hampering our effort, deterioration, blight, decay, and poverty are giving way to the rise in income, growth and stabilization in population, replacement of obsolescent facilities, fix-up of housing, and the effort of citizens and city government to work together to make our neighborhoods more livable. As a





result, for example, for the first time in 20 years, housing values in our poorest neighborhood are rising. Today's Bostonian is better educated, has a higher income, lives in a better house, and enjoys a broader range and higher quality of school, library, recreational and cultural facilities than in the recent past.



# I. TRENDS AND PROSPECTS FOR THE CITY'S ECONOMY

The prospects for the City's economy are outstanding in view of its specialization in a broad range of high-grade service activities which are expanding nationally.

- finance and insurance
- business services
- higher education
- medical services
- recreation and tourism

## A \$10 Billion Economy - 28% of State Total

	<u>1963</u>	<u>1973</u>	<u>1980</u>	<u>% Change 1963-73</u>
Production of Goods & Services (Billions of Dollars at 1970 Prices)				
Total	\$7.2	\$10.0	\$14.0	+38%
Services	4.0	5.8	8.5	+45%
Other	3.2	4.2	5.5	+32%

## Job Trends in Boston, Past and Projected (Changes by Period)

<u>Period</u>	<u>Total</u>	<u>Manufacturing</u>	<u>Services</u>	<u>Other</u>
1950-63	- 27,700	-21,500	+37,700	-43,000
1963-73	+ 40,000	-20,000	+60,000	-
1973-80	+100,000	+ 4,000	+80,000	+16,000



In the 1971 recession, the City lost 13,000 jobs, but these have been recovered, and the total number of jobs is now estimated at 520,000.

Since 1971, the Boston Economy has absorbed 4.4 million square feet of new office space with no increase in the vacancy rate.

Office Space (Millions of Square Feet)

1929	15.0	
1950	15.7	1929-50 + 0.7
1960	16.6	1950-60 + 0.9
1965	18.5	1960-65 + 1.9
<u>1970</u>	<u>23.7</u>	1965-70 + 5.2
1971	24.6	<u>1970-73 + 5.3</u>
1972	26.7	1973-80 + 9.0
<u>1973</u>	<u>29.0</u>	
1980	38.0	

Recent Office Space Vacancy Rates

1971	April	6.5%
	October	8.8%
1972	April	8.2%
	October	7.5%
1973	April	8.2%



Recovery and growth in retail sales is anticipated, spurred by gains in employment, population, income and visitors.

Sales in Back Bay are expanding notably, and recovery and new growth is foreseen for the CBD.

Retail Sales in the City of Boston  
(Millions of Dollars at 1970 Prices)

	<u>1958</u>	<u>1963</u>	<u>1967</u>	<u>1971</u>	<u>1975</u>	<u>1980</u>
City of Boston, Total	\$1,612	\$1,452	\$1,608	\$1,610	\$1,711	\$1,959
CBD	524	492	467	415	500	604
Back Bay	60	67	85	143	181	255
Rest of City	1,028	893	1,056	1,052	1,050	1,100

Boston may expect to receive an expanding volume of visitors.

Number of Visitors (millions)

	<u>Total</u>	<u>Overnight</u>	<u>Day</u>
1970	2.9	1.2	1.7
1975 (Normal)	3.2	1.3	1.9
1975 (Bicentennial)	6.4	2.6	3.8
1978 (Post-Bicentennial)	4.1	1.8	2.3





## II. POPULATION TRENDS - REVERSAL OF TWO DECADES OF DECLINE

In the period 1970-72, Boston's population grew by 18,000, reversing two decades of decline. Growth was concentrated in the 25 to 34 year old age group.

<u>Year</u>	<u>Total Population</u>
1940	770,816
1950	801,444
1960	697,197
1970	641,071
1972	659,230

### Change, by Age Group

	<u>1960-70</u>	<u>1970-72</u>
<u>Total Population</u>	<u>-56,126</u>	<u>+18,159</u>
Under 20	- 9,690	- 346
20-24	+22,628	+ 908
25-34	- 9,542	+19,629
35-64	-55,696	- 4,161
65 and over	- 3,826	+ 2,129

The income levels of Boston's households have been rising, - (by one-fourth in the 1960-70 period). There are fewer poor households, and the number with incomes of \$15,000 and over have almost doubled. Further gains are expected in this decade.

### Distribution of Boston's Households, by Income Level (Dollars of Constant Value at 1970 Prices)

<u>Income Level</u>	<u>Number of Households</u> (Thousands)			<u>Change in No. of Households</u>	
	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1960-70</u>	<u>1970-80</u>
Less than \$4,000	64	55	26	- 9	-28
\$4,000-\$10,000	112	87	67	-25	-20
\$10,000-\$15,000	30	46	68	+16	+22
\$15,000 and over	17	30	76	+13	+46
<u>Average House-</u> <u>hold Income</u>	\$8,012	\$9,946	\$14,000	+\$1,934	+\$4,154



Daytime Population in the City of Boston, 1973

<u>Total Daytime Population</u>	<u>940,000</u>
I. Residents	660,000
Less Out-Commuters	- 85,000
Total Daytime Residents	575,000
II. Boston's Jobs	520,000
Boston's Labor Force	290,000
Job-In-Commuters	315,000
Job-Out-Commuters	85,000
III. Suburban Shoppers	35,000
Tourists & Business Visitors	15,000

Boston's work force more than doubles each day, and its daytime population increases by half.

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(Billions of Dollars)

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### III. INVESTMENT

Capital investment in Boston has been rising. Even higher levels of capital construction are underway or planned. And longer-term goals are still larger.

#### Average Annual Rate of Investment (Millions of Dollars at 1970 Prices)

	<u>Total</u>	<u>Private</u>	<u>City of Boston</u>	<u>State, Federal and Semi-Autonomous Agencies</u>
1960-67	\$ 700	\$ 560	\$ 20	\$120
1968-71	850	675	50	125
1972	1,000	750	80	170
1973-75	1,250	950	110	190
1976-80	1,600	1,255	145	200

<u>Investment</u>	<u>Underway or Planned</u>	<u>Longer Term Goals (10 years)</u>
	(Billions of Dollars at 1970 Prices)	
City of Boston	\$6.6	\$13.0
Downtown Core	2.3	4.5
Neighborhoods	4.3	8.5

